

What is claimed is:

1. A method of trading instruments based on the price of assets over a global communications network such as the Internet, comprising:

establishing a plurality of instruments, each comprising a transferable contract representing the price of a standardized but nondeliverable quantity of a commodity, security, service or other asset;

establishing an Internet Web site operated by a data processing and page serving system to operate as a virtual marketplace for the trading of said instruments;

receiving a bid at said Web site sent via the Internet from a first trader to buy at least one of said instruments at a bid price, and an offer at said Web site sent via the Internet from a second trader to sell at least one of said instruments at an offer price, or vice versa; and

automatically or by private negotiation facilitating execution at said Web site a transaction for the purchase and sale of at least one of said instruments when said bid price equals said offer price.

2. The method of claim 1 in which at least one of said traders is a market maker.

3. The method of claim 1 in which each of said instruments is convertible into a second contract representing a deliverable quantity of and delivery terms for said asset.

4. The method of claim 3 in which said second contract may be independently purchased or sold and facilitated and accounted for by said site in similar manner and relative to said price of said first contract.

5. The method of claim 1 in which each of said instruments is secured by electronic cash.

6. A system for trading contracts over a global communications network, comprising:

a system for establishing a plurality of eCash units, each eCash unit representing a trading credit guaranteed in advance by physical or bank-guaranteed cash or credit, and each eCash unit being stored in a trading account;

a system for establishing, storing, organizing, transmitting and displaying information for a plurality of transferable eContracts, each eContract having a variable price and representing the price of a non-deliverable quantity of a commodity, security, service or other asset and each eContract further being guaranteed or paid for by said eCash units;

a system for establishing, storing, organizing, transmitting and displaying information for a plurality of dContracts, each dContract having a price and representing a deliverable quantity of and delivery terms for a commodity, security, service or other asset and each dContract further being guaranteed or paid for by said eCash units;

a system for establishing, storing, organizing, transmitting and displaying information for a plurality of transferable oContracts, each oContract having a price and representing an option to buy or sell one or more of said eContracts, and each oContract further being guaranteed or paid for by said eCash units;

a system operated through an Internet Web site for receiving and automatically facilitating, calculating, executing, settling and recording buy and sell orders in a trading forum for the purchase and sale of said eContracts, dContracts and oContracts, according to terms of private negotiation or on an odd-lot basis first and then on a first-in, first-out basis, so as to facilitate and account for trades and establish a marketplace for said eContracts, dContracts and oContracts over a global communications network;

a system for automatically and continuously settling said trades;

a system for automatically and continuously crediting and debiting said trading accounts concurrently with said settling;

a system for converting eContracts into dContracts at the discretion of owners of said eContracts who wish to take delivery of said commodity, security, service or other asset underlying said eContracts; and

a system for displaying the results of said trades remotely in real time.

7. A method of trading contracts over a global communications network, comprising:

establishing a plurality of trading accounts;

establishing a plurality of eCash units, each eCash unit representing a trading credit guaranteed in advance by physical or bank-guaranteed cash or credit;

receiving physical cash, and converting said cash into said eCash units;

establishing a plurality of transferable eContracts, each eContract having a variable price and representing the price of a non-deliverable quantity of a commodity, security, service or other asset and each eContract further being guaranteed or paid for by said eCash units;

establishing a plurality of transferable dContracts, each dContract having a price and representing a deliverable quantity of and delivery terms for a commodity, security, service or other asset and each dContract further being guaranteed or paid for by said eCash units;

establishing a plurality of transferable oContracts, each oContract having a variable price and representing an option to buy or sell one or more of said eContracts, and each oContract further being guaranteed or paid for by said eCash units;

establishing an Internet Web site for operating at least one trading forum and a virtual marketplace for the purchase and sale of said eContracts, dContracts and oContracts over a global communications network;

receiving at least one buy order to purchase at least one said eContract, dContract or oContract at a specified bid price;

receiving at least one sell order to sell at least one said eContract, dContract or oContract at a specified offer price;

automatically facilitating, calculating, executing, settling and recording, according to terms of private negotiation or on an odd-lot basis first and then on a first-in, first-out basis, all said buy and sell orders in which the bid price equals the offer price, so as to generate one or more trades;

automatically and continuously settling said trades;

automatically and continuously crediting and debiting the trading accounts of said traders to reflect the mark-to-market value of each of said trading accounts as a result of each said trade;

selectively converting eContracts into dContracts at the discretion of traders wishing to take delivery of said commodity, security, service or other asset; and displaying the results of said trades to participants in said forums in real time.